



## Switzerland

### Most important recipients

<i>2017 gross disbursements, Mio. USD</i>	<i>2017 commitments, Mio. USD</i>
Bilateral, unspecified 4.100	Bilateral, unspecified 6.058
Burkina Faso* 1.067	Kyrgyzstan 2.031
Ghana* 0.559	Serbia 1.828

*\*ATI partner country*

### Doubling support to DRM in partner countries

Switzerland has elaborated a guidance note to help programme managers of the State Secretariat for Economic Affairs (SECO) to **design and implement DRM projects**. The guidance note strongly emphasises reform sequencing (diagnostics, reform plans, implementation, evaluation) and insists on the need to carefully analyse political commitment, not only at the government level, but also at the parliamentary level and within the administration. The importance to include other stakeholders (private sector, civil society, academia, civil servant unions) in the reform process is also underlined.

Domestic revenue mobilisation has always been a priority area of intervention in its cooperation programmes. Therefore, being a member of the Addis Tax Initiative has not had a significant impact on Switzerland’s portfolio composition. However, other countries that were traditionally more focused on public financial management (PFM) are now putting their resources on domestic revenue mobilisation.

Overall, Switzerland believes that the Addis Tax Initiative had a positive impact on DRM engagement. At the same time, however, some countries have reduced the contributions to PFM in order to meet the ATI commitments. Switzerland believes that PFM must remain the priority and domestic revenue mobilisation should be a complement. Increasing tax revenues is not sustainable if the money is not well spent.



### Policy coherence for development and outlook

Switzerland is working towards coherent domestic policies in the area of domestic revenue mobilisation through the **organisation of joint missions/events and working groups** with the participation of different agencies. Furthermore, the the Swiss Agency for Development and Cooperation (SDC) commissioned a study to analyse the coherence of Swiss policies in international taxation. The study (in French) is publicly available [here](#).

Main agencies/departments in charge of tax and development – SECO, SDC, State Secretariat for International Finance (SIF), Federal Tax Administration (FTA), and Ministry of Foreign Affairs (EDA) – meet regularly to exchange information on their activities and coordinate their actions. Some DRM programmes are co-managed by SECO and SIF (e.g. OECD BEPS Inclusive Framework, Global Forum on Transparency and Exchange of information).

Some technical assistance programmes are (or will soon be) jointly implemented by SECO and FTA (Burkina Faso, Ghana). When a tax treaty is being negotiated, all departments, including the cooperation agencies/divisions, are formally consulted and can provide remarks, make reservations, require clarifications etc.

With regard to doubling support to domestic revenue mobilisation, Switzerland believes that it will not only be able to attain ATI Commitment 1 until 2020, but that it will even outperform it. However, Switzerland has expressed doubts regarding the method used by Addis Tax Initiative to check and confirm the doubling of DRM contributions. This relates to the fact that the amount of commitments and contributions can vary substantially from year to year. For example, Switzerland already multiplied by 4 its commitments from 2015 to 2016, since it launched many new programmes in 2016. In 2017, the baseline was more than doubled. At the same time, it is possible that it will have a lower amount of commitments or disbursements in 2020. It would therefore make more sense to use some kind of average on a 2-4 years period.